

ECONOMICS IN ACTION JAN. 1953

A squabble over tariffs may develop in Congress this year. Many business and government leaders have swung to the idea that it is time for a thoroughgoing study of American tariff policies -- many of which date back to the early depression . . . Trade, as well as aid, is seen as the way to help Europe build up a sound economic system. U. S. aid has already helped Europe over the hump of postwar recovery and cannot be cut off for years to come, because of the Communist menace . . . But a freer American market in which to sell her goods might spark Europe's lagging production levels. . . .

Without imports American life would be pretty bleak. No cigarettes, no coffee, no tea, no telephones, no television, no lipstick, no bubblegum. All these -- and many items vital to the defense effort -- would disappear if America were ever cut off from the rest of the world . . . The average family consumes the contents of 788 cans a year. Fruit and vegetables total 288; beer, 153; and evaporated milk, 96 . . . Dehydrated foods will soon start cashing in on the long-time sales boom that frozen foods have been enjoying . . . The working wife, in spite of easy-to-fix foods, still spends one-and-a-half hours a day cooking meals -- only thirty minutes less than her stay-at-home sister. . . .

January sales won't be spectacular, but look for bargains in textiles and clothing . . . Meat prices will also be low this winter and price drops have been reported during the fall for butter, potatoes, cabbage, spinach and lettuce. Citrus fruits are plentiful . . . Shrimboats are a'comin' in fast this year as shrimp

ECONOMICS IN ACTION (continued)

mounts to first place in shellfish popularity . . . The Federal Food and Drug Administration suffered a setback when the Supreme Court ruled that food manufacturers don't have to admit government inspectors. . . .

Teachers' salaries went up about 5 percent during the current school year. Average schoolteacher wage is now \$3405 (or \$1703 in prewar buying power) . . . Cost per pupil in elementary and secondary schools is about \$40 a year . . . In order to bring America's schools up to date, state and local spending for renovating old buildings will have to reach \$20 billion in the next ten years. These construction efforts will help take up some of the slack when defense spending tapers off. . . .

The Internal Revenue Bureau has a heart, after all. With conspicuous gallantry the Bureau recently ruled that professional models cannot take "bodily depreciation" into account on their income tax returns. Reason: "Charm, beauty and talent are not generally recognized as depreciable for tax purposes. American beauty never becomes obsolete . . ." Speaking about taxes, don't throw away the tax form contained in the 24-page booklet the Treasury is mailing to each individual taxpayer. It's not a sample!

With 12,000 pay increase cases on its hands, the Wage Stabilization Board will have to struggle to complete its schedule before all wage-and-price controls expire on April 30. It is unlikely that the new Administration will vote to continue the Board, most of whose original members resigned in protest against President Truman's grant of a \$1.90 a day

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challenge

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ECONOMICS IN ACTION

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a personal note

SIX YEARS AGO, we must confess, this writer worked for an advertising agency. Whenever we disclose this fact, there is always at least one person who responds with a shudder which could not be more severe if we had said we used to live in a leper colony. One of these days we shall discuss the pros and cons of the contempt some people have for the advertising profession; but for the present, now that we have revealed our past, we should like to introduce you to a fellow called Red — as noble a carrot-topped huckster as ever graced a Madison Avenue agency.

It was our pleasure to work with Red for about twelve months. However, since our professional association was confined to the one problem of how to sell more roach powder, we have no way of telling how versatile an advertising man Red was at that time, although we understand he is now one of the best. But to get back to our campaign to sell more roach powder, it was natural that the harder we worked the less roaches remained to be eliminated. By the eighth month of the campaign we had passed the point of diminishing returns; by the twelfth month we had done the job so thoroughly the client couldn't make a sale to his own relatives, for whom the product had been originally designed. Neither of us, therefore, was surprised when the agency head, J.D., called us into his office.

"Boys," he said, "there's hardly a roach left on the continent. We'll lose this client's account unless the two of you can think of something unique to stimulate sales. Maybe we ought to design a brighter, more attractive container. Or how about a spraying gadget that plays a catchy tune while you fill those cracks in the walls with powder? No. That's been tried. We've got to find something to take the place of roaches. We just can't lose this account!"

Undoubtedly, here was a problem that could try a man's soul. We'll never know how it was solved, because two weeks later Red was working on a more lucrative account for another agency, while we had stepped out of the advertising world entirely.

Six years later, we caught a glimpse of Red in New York's Grand Central Terminal. He was running a dead heat toward Track 17 to catch the 6:04 to the suburbs. We didn't have the heart to call out to

him under the circumstances. Laden with Christmas packages as he was, his pace was nonetheless terrific; he could have reached home under his own power sooner than the train would get him there. But the gate to Track 17 slammed shut before he could reach it. Since the same thing had already happened to us at Track 21, we ambled over to have a few words with Red.

"Why, you old horse thief!" he greeted us. "How've you been?"

We had never heard him use that expression before; it must be a term of endearment, we decided. And so the great confab began on a stone bench in Grand Central Terminal. He had twenty minutes to kill and we had a half-hour. We reviewed a variety of topics not the least of which was the fact that his largest account is a laundry soap manufacturer who puts chlorophyll in his product. When we asked Red what the chlorophyll was for, he became impatient with us.

"Don't you read my ads?" he demanded. "It takes that clean smell out of the wash. If your clothes turn green, you know they are getting the full benefit of the chlorophyll."



We apologized for our ignorance and admitted we had got the point. Then suddenly the conversation turned serious. "Have you seen J.D. around lately?" Red asked us.

Now, it was inevitable that J.D.'s name should crop up during our meeting with Red. Perhaps we did him an injustice, but J.D. had always seemed to us to be the sort of man who had read about a character in a book and forever after dedicated himself to bringing that character to life. Unfortunately, the model he had chosen was a supercilious and immature fool, and J.D. seemed to possess all of the natural attributes to make the characterization a perfect success. Consequently, he had been a subject for private laughs among the agency men, and although we had not seen him for many years, it came as no surprise that Red should mention him.

"I bumped into him about six months ago," Red informed us. "Still the same J.D. He's still pulling those multi-million dollar deals. And he's still having trouble beating off all those women who are after him. What can you do with a guy like that but just listen to his imagination talk?"

"Just listen. That's what he needs," we agreed.

Red was shaking his head. "You should have listened to the lecture he gave me on marriage and families," he continued. "J.D. has it all

figured out like this. It seems that only weak men get married and have children. You know why? It's because weak men can't take the severe competition they have to meet in the outside world. Every day they go out and get their heads knocked off. The boss bawls them out, and so on and so forth. But at the end of the day, these weaklings can crawl home and find refuge with their wives and children. They are kings at home because they bring in the bacon to the wife and kids. For a few hours of the day they can feel that they are the ones in control. That's how they gather up the courage to face the world the next morning. Oh, brother!"

"What does he say about the strong ones who don't marry?" we asked.

"Now you are talking about J.D., of course," Red pointed out. "He is constantly conquering new worlds. He isn't tied down by petty family worries. He can devote his full attention to his earth-shattering deals. He isn't afraid to take the world by the horns and give a good toss. He won't let himself be eaten up alive by slaving to keep the kids in shoes. No, sir! Not J.D. His mind is free to take full advantage of everything the world has to offer. He doesn't need a home and a refuge. Nuts!"

"He's a little nutty, all right," we commented.

"Sometimes I can't laugh, I feel so sorry," Red observed. "How are you going to tell such a man that the biggest job in the world is to raise a family? Sure it's rough to go out into the world every day and try to make your way through the jungle. In the outside world you're just one very small cog in a very large wheel. In the family you're the hub, axle, cog, spokes and everything else. It's up to you and your wife to do the job right, because it's your responsibility. Only the strong ones can take on a job like that."

RED MIGHT HAVE SAID MORE, but he never had the chance. He was up on his feet suddenly and running off toward Track 17.

"Hey, hold that gate!" he shouted to the conductor. Then over his shoulder he yelled to us, "See you again, you old horse thief."

We barely had time to scoop up his packages and chase after him.

"Thanks," he told us as he passed through the gates. "Presents for the kids. Cost me forty bucks. Those kids'll eat me up alive yet."

He winked and disappeared down the stairs toward his train.—HB

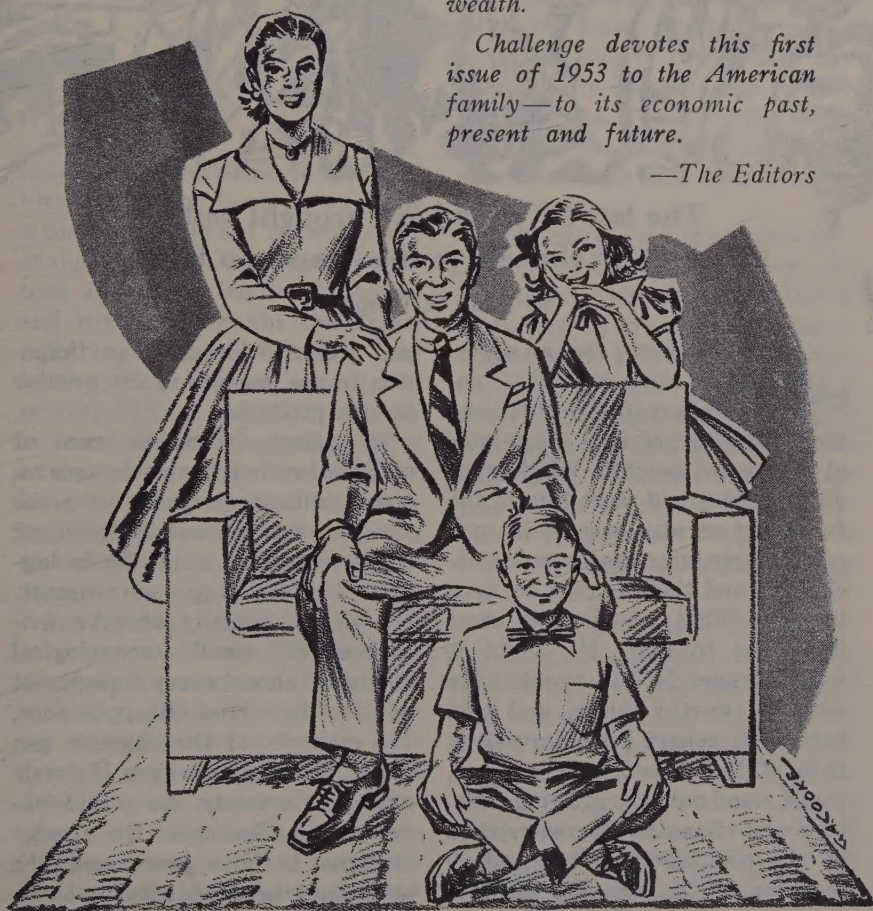
The AMERICAN FAMILY: 1953

We do most of our earning and buying in family units.

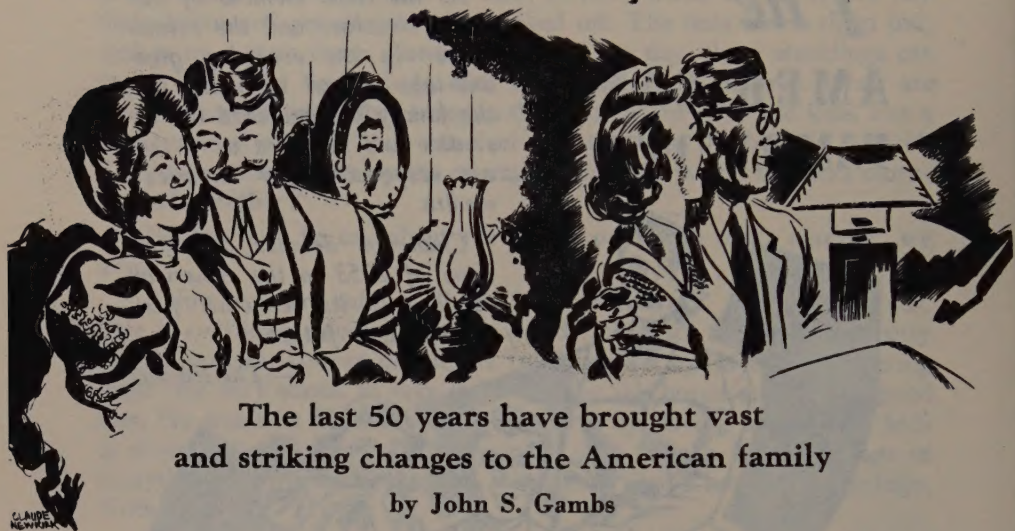
As the basic element of our social structure and the prime-mover in the everyday give-and-take of our economic life, the family has provided the incentive and the hard work that are responsible for America's wealth.

Challenge devotes this first issue of 1953 to the American family—to its economic past, present and future.

—The Editors



New Horizons for Old



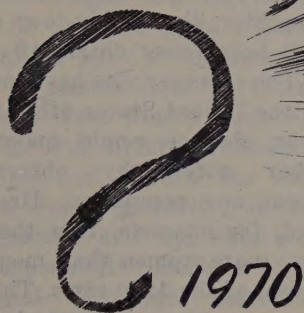
The last 50 years have brought vast
and striking changes to the American family

by John S. Gambs

LET US suppose that an observant foreign youth had visited this country in 1900 and then had returned fifty years later at the age of seventy. What great differences would stare him in the face? Let us also assume he was particularly interested in economic changes and their impact on family life. What would seem most important to him? No doubt it would be hard for him to select the most noteworthy things, and even harder to report his impressions in brief. But three things, perhaps, would stand out: the growing numbers and changing characteristics of the population; a tremendous increase in the national income;

and a more widespread participation in the benefits of the greater income produced.

Of course, he would learn of many other important changes: a large military program in peace time, a vast national debt, bigger business and its reflection in bigger unions and bigger government. He would casually observe evidences of small technological change in almost every department of life: the virtual disappearance, for example, of the chamois pen wiper, since the steel pen is nearly extinct. Certainly, he would observe with amazement the greater changes: the disappearance of the horse, and the prevalence of planes,



1970

radios and television. In the factory and on the farm he would be struck by subtle but revolutionary changes: wheat, asparagus, tomatoes and corn that resist blight and rust and drought and frost; metal and alloys that are very hard or very soft or very strong or very light in weight, or that do not corrode in air or melt or warp at incredibly high temperatures. He would see tractors and assembly lines and blueprints for making electrical energy out of atomic energy.

As for population changes, the stranger would note that we have doubled in number! There are more than 150 million of us today. In other half centuries we have tripled or quadrupled with the help of great waves of immigration. This time, most of the doubling we have done all by ourselves. No one index could more adequately

ly demonstrate the vitality of our economy or American family.

Where is this population? Well, we are a restless people. In 1940 one out of every eighteen who were born *west* of the Mississippi River came to live *east* of it—and vice versa, exactly! Negroes go north and west; white people go west and some to Florida. We are said to be the most migratory people on earth. Nearly two million live permanently above wheels in 9000 trailer parks. The principal movement over the past fifty years has been westward and just a shade southward.

No doubt our great national productivity arises partly out of our impatience with land now infertile or industries which have become unprofitable, and out of our great willingness to pull up stakes. But families are uprooted in the process; grandparents live a thousand miles away; children have to adjust to new schools and new playmates. It is doubtful whether our vast migration promotes family cohesion.

This moving around is not new. We have always been on the march, and in this national characteristic our seventy-year-old traveler would record no change. But per-

John S. Gambs, Leavenworth Professor of Economics at Hamilton College, Clinton, New York, has written several books on economics. His latest, "Man, Money, and Goods," was released early this year.

haps that very fact would seem remarkable to him. So long as we were young and had just barely closed our geographical frontier, migration would seem natural. But fifty years later! Still on the move! That is surprising.

A SPECIAL KIND of migration has had special effects on family life—migration from the farm. In 1900 we were a nation of hayseeds; we are becoming a nation of city slickers. This urge to embrace city life has affected and altered the old family pattern of agrarian America. On the farm large families are an asset; in the city they are a liability. A farm is a business partnership between husband and wife; it is, unlike a city job, something you can make more valuable by improvements and can leave to your children. The bonds of the church and of conformity to tradition are stronger in the country than in the city, where one becomes a free-floating atom rather than an integrated member of the community.

But perhaps the differences between the farm family and the city family are narrowing. The automobile, radio and television may be wiping out urban-rural distinctions completely. The greatest improvement in agriculture, it has been said, is that the farmer's daughter now dresses exactly like the city girl. Does this mean that,

in due course of time, the farmer's daughter, like her big-town cousin, will bear fewer children?

The stranger who has come back to the United States after a fifty-year absence would make some other noteworthy observations about our population. He would find, for example, that there are now more women than men, a reversal of the 1900 ratio. This may have serious repercussions on courtship and family attitudes. A recent story in the *Reader's Digest* suggests what lies ahead. Twenty-five years ago, Mr. Jones would go up to a girl and in flattering tones, say, "May I have the next dance?" Today, Mr. Jones' sixteen-year-old son, after looking critically at the girls, goes over to one of them and says, "You'll do." Perhaps a sixth sense has told him that the forces of supply and demand are all on his side.



Also, in the past half century, the percentage of older people has increased a good deal. The percentage of those over sixty-five has trebled. Since at the same time the age of marriage has slowly declined (for girls, from age 22 in 1900 to a few weeks over 20

today) there must be a larger proportion of two and three generation families. More young married couples of twenty-eight or thereabouts now face family responsibilities in both directions: toward the young and toward the old. Through Social Security, industrial pensions and the like, economic responsibility has been made impersonal. Through increased wealth, more separate households have been made possible. For the younger family this may be a blessing — and perhaps for the older couple as well. But we have not yet found a real substitute for the old-time farm family at its



best, in which each member of the three generations had his appropriate jobs or chores to do, and in which, therefore, each had a well-defined status firmly rooted in function. It should also be noted in passing that insofar as this increasing share of older people is deprived of the opportunity to work at the usual employments, the younger people have to work harder to sustain them. Pensions, investments, annuities, Social Security, old-age assistance are fine, but must not be allowed to conceal

the fact that when grandma and grandpa are retired, the hamburger they eat and the gas they burn are being currently produced by younger people. To be sure, grandma and grandpa would probably like nothing better than a chance to help produce the things they use up — if only the younger folks would find ways to let them do it.

Another observation our visitor from abroad might make is that more people, relatively, are working today than ever worked before. In 1900, 38 percent of the population above the age of ten was gainfully employed; in 1950 the figure could conservatively be put at 43 percent. More of us seem to be at work — and thus, one assumes, a larger fraction of us are making our economic contributions outside the home. We do know that more wives have factory and office jobs; in 1900 only one wife in sixteen worked outside the household; in 1949 the ratio was nearly one to four. The figures are on the side of those who will argue that the home has degenerated into a place where its members, returning from factory, office and school, meet to dine and find overnight shelter. However, it seems certain that the family will retain many of its essential functions far into the calculable future.

Now we go on to consider income — how much it has increased and what our increased income means

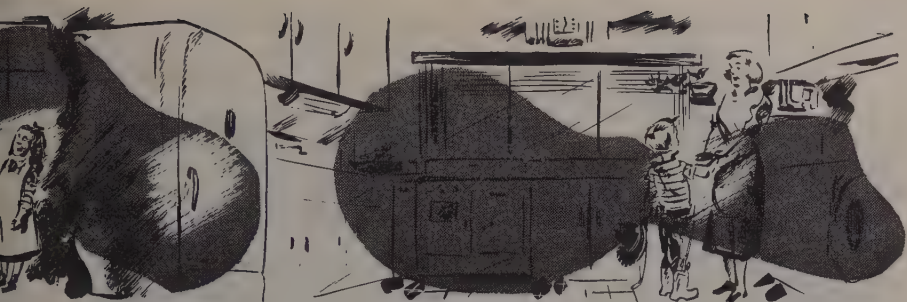
to the family. One clarification is necessary at this point: the word "income" will be used rather broadly. Mostly it will relate to the income of the entire nation in the form of goods and services produced; but increased income will also sometimes mean increased leisure, or increased performance from the same commodity. (For example, a \$2000 automobile today is superior to the \$5000 horseless carriage of yesteryear.)

OUR OBSERVER from abroad would find that the American family is much better off. That would be plain as the nose on his face. But how much better off? In dollar bills, he would estimate, more or less correctly, that we are fifteen times richer. But he would also find that the things he had bought in 1900 required fewer dollar bills. In the early 1900s, for one dollar he could buy a pound of round steak *and* a four-pound leg of lamb, *and* get a few pennies back in change. Today, he would have to spend almost five dollars for the same items. This might lead him to guess that our *real income* — that is, our income in terms of food, clothing and shelter we can buy — had in his absence increased about three times over what it was in 1900. He could therefore surmise that we are three times better off now than we were when he



last visited our country. But this would hardly be a correct estimate of our present living standard.

Suppose, now, he decided to check his three-times-as-good figure by looking over some of the everyday items we buy and use. Bread costs about two-and-a-half times more now; but we have more money to spend. Besides, the new bread is sanitarily wrapped; it is sliced; it contains added amounts of something nobody had ever heard of in 1900 — vitamins! Today's bread is really not the same bread it was in 1900. Because it is wrapped, the bread is protected from flies and dust; with added substances, it promotes health; being sliced, it saves labor. So our visitor goes on to find other things to compare. He happens, by some freak of memory, to remember the prices of a few gadgets and necessities of 1900: rubber horseshoes, arclight carbons, Welsbach mantles and kitchen stills used to purify water (for public health systems were not very far advanced in 1900). But not one of



these can he find for sale to make his price comparisons.

The plain fact of the matter is that our style of living has changed so much there is really no way of knowing exactly how much better off we are. Few things have remained exactly the same. Only one thing is certain. We are buying more food and using more things than we were in 1900. *Real income* has gone up considerably.

Our income has been made greater by the progress of science, invention and technology. Out of products unknown in 1900, we could go right down the alphabet book, from aspirin to zippers, with cellophane, nylon and riboflavin in between.

Second, a lot of our increased wealth goes into cleanliness and asepsis. Everything is wrapped and "hygienically" packaged. More running water, more hot water and more bathrooms have driven the Saturday-night galvanized tubing out of remembrance. Third, we — and especially the housewife — have rejoiced in an end-

less number of labor-saving devices and arrangements, from washing machines to pre-cooked hams. Frozen peas are already shelled, ice-bricks of spinach have had the sand washed out. Fourth, we buy things more aesthetically pleasing, even monkey-wrenches are made to have "eye-appeal," and everything has been streamlined except the hairdo and mustache of Mr. Gillette, the safety-razor man.

Women have been relieved of certain disagreeable tasks. One out of four housewives is sufficiently relieved from household chores to seek outside employment. The other three stay at home. It seems that young wives with children work very hard, just as grandma did. But the pattern of housework has changed. Today's woman finds time to lead Cub Scouts, to read books on child psychology, go to PTA meetings, chauffeur her children about, or run downstairs for the tenth time to answer the phone. I have not met any woman who would give up her machines, or her

cleaned fish frozen stiff as a board, to go back to the old days.

The foreign observer will also note that the poorer half of the population is living better and has gained the greater proportion of the general advance. The poor are not getting poorer and the rich are not getting richer. There is a very definite trend on the part of the whole population to gravitate toward the upper middle income group. The incidence of million-dollar-a-year incomes has declined to the point of disappearing altogether.

THE WORKING CLASS has won leisure; today the industrial working week is forty hours—a gain for the unskilled of close to twenty hours per week within fifty years. Industrial accidents are compensated for without expense to the workman and without lawsuits. Social Security is here to stay. Schools — though recently overcrowded and understaffed — are probably better, and more children can go to them longer. Public health systems protect us all. Pure drinking water is for rich and poor alike. Widows with children

are being assisted through a variety of programs.

During the past fifty years there have been striking changes in the character of the workplace. The sweatshop and the gross evils arising from child labor and work-at-home are under control. Production is cleaner and there is less pushing and lifting and grunting in industry. Today men and women supply only 3 percent of the energy used in American production; in 1900 they supplied 10 percent. Moreover, the energy available today due to almost total mechanization is several hundred percent of what was possible in 1900.

All this has benefited the whole family through increased security, health and leisure. Family life is still darkened by poverty in some instances, but these are the exceptions rather than the rule.

It is a grand record to pass in review. Perhaps the best summary of all this is: for most American families the economic problem is no longer to find the necessities, but to pick and choose among the non-necessities. If we can avoid war and depression, the economic basis for American family life will be very solid indeed. ■



America on the Move



by Gertrude Samuels

NEVER BEFORE in the country's history have so many people been on the move. They represent all segments of American life and have voluntarily uprooted themselves during the past several years — particularly in the past twelve months.

A large part (64 percent) of the country is urban, and there has always been a high degree of mobility among city dwellers. But the new population shifts, especially the heavy trend to the Far West, which leads all other regions in

population gains, has unique significance today.

According to recent population surveys of the Bureau of the Census, some 31.1 million persons "moved" during the year 1950-51 (compared with 27.5 million "movers" during 1949-50; 27.1 million during 1948-49). An even greater number is estimated to have moved during 1951-52, on the basis of incomplete data. Of the 31 million

Gertrude Samuels, staff writer and photographer for "The New York Times' Sunday Magazine," wrote this article on special assignment for Challenge.

movers, by far the large majority — 27.9 million — moved in family units, two-thirds of them moving within a county, the other third crossing county and state lines.

Why do they do it? What are their motivations? What are the effects on the communities they enter? Above all, what future does such mobility hold for their youngsters, many in the most impressionable years of their lives?

For answers to these questions you go to the source — to the people themselves.

FOR MANY MONTHS PAST, I have been meeting the in-migrants in many parts of the country, having driven coast-to-coast last summer with my own youngster, observing them in factories and fields, in offices and homes; particularly in California where population increases since the 1920 boom have made it the second largest state in the country today, population-wise. At the outset, this much becomes clear:

● In general it takes a special type of person, who still has something of the frontier spirit, to pick up and start afresh in strange parts. True, during World War II and now the Korean War, many moved to work and to be near loved ones in Army camps. But very largely the mobility is the fruit of reason rather than emotion, with the greatest number of

movers in the 25-44 age group, who have growing youngsters and have the drive, energy and enterprise necessary to start again.

● The overriding motivation is economic security — jobs. People flow with the tide to those centers which promise the most in better living conditions, better wages, a better future for their children.

● They are mobile — but with the intent to stay. Thus you find that thousands of Okies of the Thirties and defense and war workers of the Forties have integrated themselves with the native populations and are today



—Photos by Gertrude Samuels

Jim McCain

"So long as there's work . . ."

homeowners; and ironically, landlords of the recent arrivals.

● There are few returnees — once at work, most appear to have found their destination; those who do return are apparently moved more for personal than practical reasons.

● Each mobile group has its own characteristics and problems, its own doubts and dreams.

● The largest group of “movers” in 1951 came from the ranks of skilled labor, management officials and professional technical workers (dispelling, incidentally, any suggestion that this was a *Grapes of Wrath* migration). But many farmers were also switching from their unprofitable fields to factory work (average hourly earnings of farmers in 1950 were 55 cents; those of factory workers, \$1.45).

All these changes carry with them considerable human drama. For example, in a huge defense plant on the West Coast, the thousands of workers who make this plant hum come from every state in the Union. Among the workers you find Jim McCain, a twenty-seven-year-old Pacific war veteran and a towering fellow with mild manners, riveting floor panels for a Navy plane on an assembly line at Douglas Aircraft. During a break, he tells you that he's been in California a year, on this job

as a machine riveter for the past two months. Most of his life he had been a farmer in the small town of Dermott, Arkansas, where he'd done farm jobs since he was seven. His father was a cotton renter, and at thirteen Jim quit school and drove tractors. After marrying a girl from his home town, like his father before him, he rented eighty acres in cotton, paying his rent after harvest with the traditional one-third grain, one-fourth cotton.

“If you were lucky,” he said, “you came out with \$1,000 above living expenses at the end of a year. But the luck ran out; we had a couple of bad seasons, and the old folks moved to California. We got disgusted. So last year I sold the car, an old Nash, and a beat-up tractor, put the family in a bus and came to live temporarily with my folks. Three days after arriving,” he added, “I had work in Culver City as a turret lathe operator making aircraft fittings for \$80 a week. It sure looked good to us.”

When the firm went out of business, Jim took this riveting job at Douglas. While in training he receives \$1.74 an hour plus overtime — averaging \$85 a week in take-home pay. His wife works as a hotel maid, earning \$40 a week while her sister cares for their two-year-old son daytimes, and

helps run their \$68-a-month furnished apartment.

They have bought a 1949 Ford on time, paid for their television set and live simply, visiting friends and taking in an occasional movie. They intend to stay and make California their home — yet doubts about the radical change occasionally nudge Jim. He tells you:

"So long as there's work, I'll stay on here. It's mostly a question of work with decent pay. In general I prefer living in a small town where it's less crowded. And I have friends back home who can help me with money if I need it. "But," he adds slowly, "I don't have any desire to farm again if I can get out of it. Mechanized farming is harder work than any factory job — and I'm not afraid of hard work, was raised to it — but if there's more money to be made in a factory like this, why I'll stick here. That makes sense to us."

IN A BIZARRE COMMUNITY of trailers on the edge of town you find another family, in this same economic grouping, which came for health rather than economic reasons. About 150 trailers are parked on oblongs of grassy land, while children, dogs, crude "streets," a community laundry, grocery store and the ubiquitous television aerial give the "city" an air of perma-

nency. Outside his handsome, forty-foot trailer with awnings, Harold Hubler trims his garden while his wife dishes out the lunch to their three youngsters.

The Hublers come from Akron, where Mr. Hubler managed a shoe store, liked it there, and owned his home. But his wife's health failed, and his eldest boy, fourteen-year-old Robert, developed leukemia. They sold their home, paid \$6,000 for the trailer and started for Tucson, Arizona. Two months ago, a better job as sales manager opened in Los Angeles, and the family made its second move.

Now they feel settled "for an indefinite time" in trailer-town (paying \$22 a month rent, plus \$1 extra for each child). Schools and churches are handy "and we're all thriving on the outdoor life." Some in trailer-town, you find, came to look around five or six years ago — and have stayed on ever since.

In another peripheral community, at Bell Gardens, Los Angeles, Okies and Arkies who came in the great migration of the Thirties and kept coming in the Forties dominate the scene. What was once contemptuously called Billy Goat Acres, a squatters camp of uprooted Americans who had lost out elsewhere, is today a solid community of industrial workers renting and owning inexpensive houses and trailers. Their labor potential

had moved mountains — modern industrial plants moved into the area. An integrated community today, it boasts some of the best community services in town, including churches, an activities center, up-to-date schools and playgrounds.

Here you find the Huffmans, whose history is a complex of restlessness and resolution. James Monroe Huffman, 42, started moving around with his family in 1940, when he sold his home in Sapulpa, Oklahoma, “for pennies” and bought his first cheap trailer. A watchmaker by trade, he moved first to Phoenix where he picked cotton at 15 cents an hour, ten hours a day, and later drove tractors at \$2.20 a day. He worked long enough to buy a \$75 trailer and went back to his own trade, working at \$40 a week, this time in Glendale, Arizona. For the past ten years, the Huffmans — who now include eight children, born variously in Oklahoma, Arizona and California — have been on the go, while Mr. Huffman took jobs as they came, from cotton picking to his present work as an industrial machinist, earning \$120 a week.

With the Huffmans, it had admittedly been restlessness — “Mrs. Huffman was homesick.” But now at Bell Gardens, where the youngsters are thriving in the school

and community life, Mr. Huffman says, “My moving days are over. The children are happiest here.”

WHITES and non-whites moved almost in equal numbers during 1950-51 (about 21 percent of the entire population) with a smaller number of non-whites moving across state lines (2 percent compared with 3.7 percent of whites).

The reasons behind the Negro population shifts are complex: by and large, Negroes who quit an area are seeking not only better jobs but social and educational advancement. Many who leave are



Marian Delahoussaye Norman
Freedom of Opportunity



MIGRANT WORKERS: Mexican natives pick tomatoes on a California farm. Governmental

contracts guarantee them minimum wages and decent housing. They're luckier than most of

sharecroppers and domestics, earning \$7 or \$8 a week. But many are also plasterers, mechanics, brick-layers, school teachers, doctors, welfare workers. In Texas, Arkansas, Louisiana, Mississippi, Negro families, some well-to-do, piled their station wagons and jalopies with belongings and moved to unknown parts for a fresh start. In the main they have come out of the Deep South and the Midwest rural areas, showing a strong preference for urban life and for what are being called "rurban" communities — new peripheral communities on the edges of big towns for those who can't adjust to city life. It is a picture of paradoxes — of hopes realized and dimmed.

*I*N A DEFENSE PLANT you find Mrs. Marian Delahoussaye Norman buffing an engine rim for a DC-6. Mrs. Norman's husband is a

tool and die maker in a machine shop nearby. Back in New Orleans she had earned about \$40 a week as a welder, but the Negroes' social and economic limitations there drove her to seek her life elsewhere.

Her brother wrote of better working and housing conditions in California and in 1945 the Normans sold out and left New Orleans.

"Here we found living is better," Mrs. Norman tells you smilingly. "We're living in a mixed neighborhood and we're planning to buy our house now. Nearly all my relatives are here."

The Normans average \$160 a week with overtime and, adds Mrs. Norman, "There's no distinction made in these plants. They don't pay any attention to your color, only whether you have the ability for the job."



America's million migrant workers who live in makeshift camps, forgotten by social progress.

Of all the mobile groups who have the intent to stay after moving, perhaps the most determined, not unnaturally, are the Displaced Persons. In New York, Detroit, Philadelphia, bewildered newcomers from foreign lands — Displaced Persons who survived war-time and post-war hardships — are putting down grateful roots on alien soil.

Under the DP Act of 1948, as amended, some 340,000 persons have come into the country (as of July 21, 1952). They came out of the terror, surviving the Nazi ghettoes and concentration camps, and also from countries now behind the Iron Curtain — Poland, Czechoslovakia, Hungary and others. And they went with their gratitude, skills and love of farming to live in all regions of the country. The Middle Atlantic area took the largest number (148,000). Of the total, 47 percent are Catho-

lic, 34 percent Protestant and Orthodox, 18 percent Jewish and one percent other faiths.

Typical of this mobile group is Earl Greif, born in Czechoslovakia, who with his younger brother, Leib, had lived like animals in the woods after their parents and sister were killed by the Fascist police. The brothers were in a group of war orphans which I accompanied to the United States from a rehabilitation center in Germany five years ago, and I looked up Earl in California after my cross-country trek.

As with many of these adolescents, he had been placed with a foster family in the East, while young Leib went to live with relatives in Philadelphia. His health impaired by the war years, Earl moved to California — where he has made, as he puts it, "my new family." He lives with a widow who "makes it just like home and treats me like her own son." (On the day we met, he proudly exhibited a large brown envelope from the United States District Court, Los Angeles. In it were his new American citizenship papers.) He had tried a variety of jobs — "my greatest wish was to be independent and send my brother through school; he's the smart one" — and today he has steady employment as a meat cutter, earning \$88 weekly at a Safeway Stores

food market in South Los Angeles. He owns a 1952 Chevrolet, has many friends, and his great dream is to be reunited with his brother.

"We have known great suffering," the slight, dark-eyed youth tells you, "and this country has been very good to us. Soon we must be together again, and I will do everything to get him a college scholarship here."

Thus have the DPs integrated in jobs ranging from labor, domestic service and clerical work to farm, professional and technical work, assimilating rapidly, and also contributing considerably to literature, art and music.

In sharp contrast is the plight of the country's migratory workers. Theirs is a special kind of mobility, rising from misfortune, poverty and illiteracy. They are the lonely people with no homes, and no roots, who live for the most part under miserable conditions, in some areas in virtual peonage.

The President's Commission on Migratory Labor last year reported that there were one million migratory farm workers, of whom half are domestic. To the domestic migrant family, "home is the harvest." They follow the crops, living in makeshift camps in Florida's backwoods and upper New York State, sharing shacks on the edges of cotton fields of Arkansas and Tennessee and Texas, and are forgotten by social progress. You

ask an old migrant picking cotton in Tennessee why he does it and he gives you a puzzled look:

"The widdler who owns these fields — we don't ever see her — gives us 40 cents an hour and the shack. When cotton's picked, the family'll just pile some furniture in the car and drive out West and work our way up north with the vegetable crops. Then we'll be ready to come back here again. We been following that way every year."

*I*T IS TIME NOW, in looking back on the families pictured here, to ask a pertinent question.

Just what are the effects of all this mobility on the families themselves and the country at large? This is hard to estimate. Certain it is that population shifts and exchanges always bring great strains on housing, school, sanitation and community facilities. But welfare workers, teachers and plant managers, and psychologists who come in contact with many newcomers believe the over-all effects for good far outweigh other effects. Especially in recent years, the in-migrants because of their comparative youth, energy and idealism brought great stores of confidence and vitality which enrich communities, while presumably spurring their former communities to study their losses and do something about it. ■

o f T i m e — a n d C A L E N D A R S

JHAT NICE-LOOKING calendar decorated with winter scenes, or other more tantalizing vistas, has far from an innocent history. In fact, there's even blood on it—the blood of several unlucky people who were martyrs to Eighteenth Century calendar reform.

The trouble all began back in 45 B.C. when Julius Caesar commissioned one of his astronomers to invent a calendar that wouldn't have any days left over at the end of the year. Those extra days had been a puzzle ever since man first began to measure the passing of the year by the apparent motion of the sun among the constellations. For most of their calculations, the Egyptians, Hebrews and Greeks had all depended on the moon, a marvelously handy timepiece that waxed and waned twelve times in a year. But when they tried basing their calendars on the periods of the moon, their calculations were always a few days off, because a year is slightly longer than twelve lunar months. The Hebrews solved this problem by adding a "leap" month now and then; while the Egyptians and Romans declared the extra days to be "festivals."

By playing tricks with the lengths of the months, Caesar fixed

the calendar so that it was only one-quarter of a day off each year. And he fixed that, too—or so he thought—by adding an extra day to February every four years.

Unfortunately, Caesar's calculations were a few minutes off, and by the Sixteenth Century the errors had added up to about a week. Distressed that Easter was no longer coming on schedule, Pope Gregory XIII in 1582 worked out a revised calendar to take care of those errors — the so-called "Gregorian Calendar" that we still use.

England, however, was unwilling to accept a Catholic suggestion and postponed her decision until 1752. By then, things were so out of whack that Parliament had to drop eleven days out of the calendar for that year before it could even *adopt* the Gregorian system. Although neither rent nor interest was to be charged for the eliminated eleven days, workmen in the city of Bristol felt that they were being cheated, and rioted in the streets, crying, "Give us back our fortnight!" In the fracas, several innocent people were killed, unwilling martyrs to the cause of calendar reform. ■

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Though it is a successful financial enterprise, is today's family heading toward spiritual bankruptcy?

HOME— OR HATRACK?

by Edward J. Fitzgerald

ACCORDING TO some critics, the American family is the most successful flop in the world today. No one denies that it is a going concern financially — perhaps the most prosperous “economic unit” ever known. But in spite of all its wealth, sociologists and would-be sociologists periodically announce that the family is spiritually going broke. Once the center of all activities, home is now just another place to hang your hat. And all juvenile crimes from daredevil driving to drug addiction are blamed on the fact that “no one stays home anymore.”

Historically, it is true that the American family has been disintegrating over the past hundred years. In early days, families stuck together through long trips by barge and wagon that often took them cross-continent. Both



community and family were integrated — with whole families joining in to raise the corn, for example, and whole communities then joining in to husk it.

But when industry became our new frontier, many families flocked to the cities and the family unit was no longer so important to economic survival. The mass migrations of the depression — to and from the farms by jalopy and by “thumb” — helped split up the

family even more; while the scurrying around for defense jobs during World War II shattered the ties of many American homes.

The post-war family, however, is settling down and getting to know itself once more. Like a youngster gradually coming to understand himself and the world he lives in, the American family has come of age. As it develops into a more stable social unit, it is also becoming a responsible and vital factor in the community.

In large measure the tendency towards suburban rather than big city living has revived the old family unity. Clusters of small new homes, with scrubby lawns and bushes separating them from neighboring houses, are springing up outside of Baltimore, Charleston, Dallas, Dayton, Denver, Miami, Minneapolis — the whole atlas of American metropolises. Although the big cities themselves gained 13.5 percent in the decade from 1940-1950, these suburban communities did twice as well — chalking up a stunning 35 percent growth in that period. Since 1950, moreover, they have been outstripping the cities at even more than that two-to-one rate.

This exodus to smaller communities is a major part of the American family picture, and means that the lives of individual families interlink more closely with those of their neighbors. But with-

in the individual family — even if it hasn't moved out to the suburbs — there are striking changes. Let's take a look at some of them.

The House We Live In: The most important thing about the homes of 1952 is that they are more *livable* than older models. Designed for comfort, they are meant to promote family living. The kitchen shows this.

For about a generation now, we have been doing some nostalgic looking-back at the good old family kitchen — even though at the same time we seemed to be trying to wipe the kitchen off the face of the earth. We kept pushing it into smaller and smaller closets until it became almost as necessary to use a shoe horn to get into the kitchen as a can opener to get into the cans it stocked. That's been changed. Today we're bringing the kitchen into the living room, separating it from the rest of the living area by an eating bar or a serving shelf across which mother can keep an eye on her hungry brood and exchange the news of the day with them as she unfreezes the fillet.

Many homeowners have added a new room to their basements, calling it the play room, hobby

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room or rumpus room, according to their fancies. In part, this development may be laid to technological advances, such as the development of oil and gas heating devices rather than bulky coal burners, that make room for play areas. In larger part, however, it would seem to reflect a desire to bring the family closer together at a time when so many influences seem intent on tearing it apart.

*The Family at Work:* In the traditional picture of American family life, the established division of labor was roughly this: Dad was the breadwinner; Mom was the bread-maker; and the kids ate "for free" — their payments being in the form of chores, school attendance and obedience to the dictates of the house.

**M**AKING FATHER responsible for everyone's security is, of course, one way to keep the family together; and many families still retain that pattern. More and more, however, this way of life is becoming a thing of the past. Dad is no longer the sole breadwinner. Mom is right out there with him. She's stopped being a bread-maker. In fact, she hasn't been a bread-maker for years, nor a cake-maker, nor even — although this fiction persists in our mythology — an apple-pie maker. Twenty million or so working women in our country now make up about a third

of the total labor force, with married women outnumbering their single co-workers. Moreover the women are not today in jobs that used to be advertised for "gentle-women." Many of them are right on the assembly line.



Because of this redivision of labor *outside* the home there has been a redivision of labor *within* the home. This has been aided by technology. Meal preparation, for example, is no longer the sole task of the mother of the house. With frozen foods, canned goods, prepared food mixes and the like, anybody can get into the act. And if mother is off working at the airplane plant, they may have to. This may take away some of the prestige mother used to have as a "homemaker," but that distinction she seems willing to give up without too much struggle.

The same thing has happened to many other household tasks. It is no unusual sight on a Saturday to see as many men as women lined up in the local laundromat. The autocrat of the breakfast table is being replaced by the democrat at the washing machine. And man,

woman and child can be equally expert in pushing a modern vacuum cleaner, whirling an automatic food mixer or diluting the concentrated orange juice. On television they emphasize how easy it is for tots to turn the living room couch into a folding bed.

The jokes about the man who does the dishes persist — in the comic strips. In real life, it's no longer a joke, nor a matter for concern. It is merely an established and recognized part of life in many 1953 families. It isn't all graciously accepted. One man, in response to a reporter's question, recently said: "Certainly working husbands and wives should share the household tasks. I would go further. I say the wife should even help with the dishes!"

Seriously, though, this change in the family's economic basis has brought about a small revolution in the nature of family relations. Because more members of their family work outside, children growing up in 1953 are likely to find their family less cohesive in relation to the standards of 1923. But they will also find their family more cohesive — and more vital — because everyone shares household responsibility.

*Fun in the Family:* A similar shift has taken place in the recreational activities of the family. There's been a considerable amount of moaning about the de-

cline of the old jointly shared pleasures. "What has become of those Sunday picnics that used to follow the Sunday visit to church? Where are the Saturday night taffy pulls?" the movies and the automobile, we are told, have scattered the family over the landscape. "They're not doing the same things any more, and they're not doing them together."

This is only partly true. With greater mobility, greater availability of mechanical equipment, greater economic and emotional independence, the family members are frequently going off in different directions to find their fun.



But the other side of the picture should also be noted. There are more and more reasons and occasions for the family to find their fun together. If they are not doing so it is because of personal reasons, not because the modern family in general fails to provide the opportunity.

The most spectacular change in family entertainment has occurred in the nineteen million homes that boast TV sets. Where families in "the good old days" sat about the

hearth of an evening and listened to the crickets chirp — the modern family sits about the glowing TV screen and listens to Arthur Godfrey and Hopalong Cassidy. Movies and other forms of recreation still draw individual members of the family away from home. But people who are used to doing things together in the home tend to stay together outside the home.



Further factors promoting greater sharing of entertainment have been an increase in musical interest, hobbying, folk music and folk dancing, and a marked increase in home handicrafts. Saturday finds many families sawing and hammering to finish off that expansion attic or extra porch.

*The People We Meet:* Today the family is likely to meet others quite like itself wherever it goes. There has been a steady trend toward uniformity of the population. This results from being dressed and furnished alike by means of mass production. Differences in price now show up as differences in durability rather than in style. More important, the people we

meet are like us because they are subject to the same cultural influences. They listen to the same radio programs, see the same movies and television broadcasts, read the newspapers, have roughly the same education, buy the same magazines and books.

This leveling-off of population differences has its good and its bad sides. On the one hand, it makes it easier for the family member of today to feel at home anywhere and to come to know people of different origins from his own. On the other hand, it means that the stimulation of different ideas and customs is gradually being smothered by conformity.

In still another respect, the family of today lives in a broader environment than yesterday's. It meets more people — partly because it gets around more, and partly because it is more closely integrated with the community. The woman who goes to work and the child who attends one of our large schools bring back to the home the impressions skimmed from a multitude. This experience, formerly limited to the male earner, helps to undermine the position of authority he once held. And though he may at times long for the quieter days of male superiority, he is glad that his family can share more things together and do more things in the community than it ever could. Cer-

tainly, his wife is better informed than the old-fashioned housewife whose horizons were bounded by kitchen, children and a Sunday excursion to church.

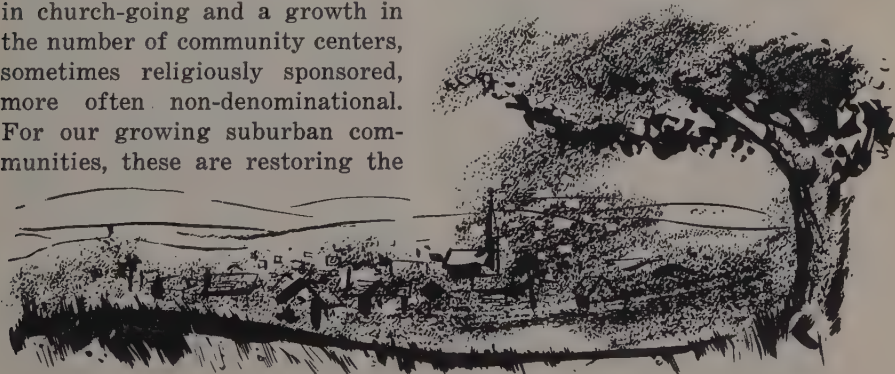
SUCH ORGANIZATIONS as the Parent-Teacher Association and the "leagues" of shoppers, voters and tenants have been taking on members in droves. The National Congress of Parents and Teachers today reports a membership of about 7.5 million. The League of Women Voters claims an accelerating rate of growth of about 10,000 members a year, and a total strength of at least 110,000 members, including some in Alaska and Hawaii. New "Local Leagues" pop up almost daily. Along the same line, our latest national election saw an outpouring of women to the polls in numbers which for the first time probably exceeded the male vote.

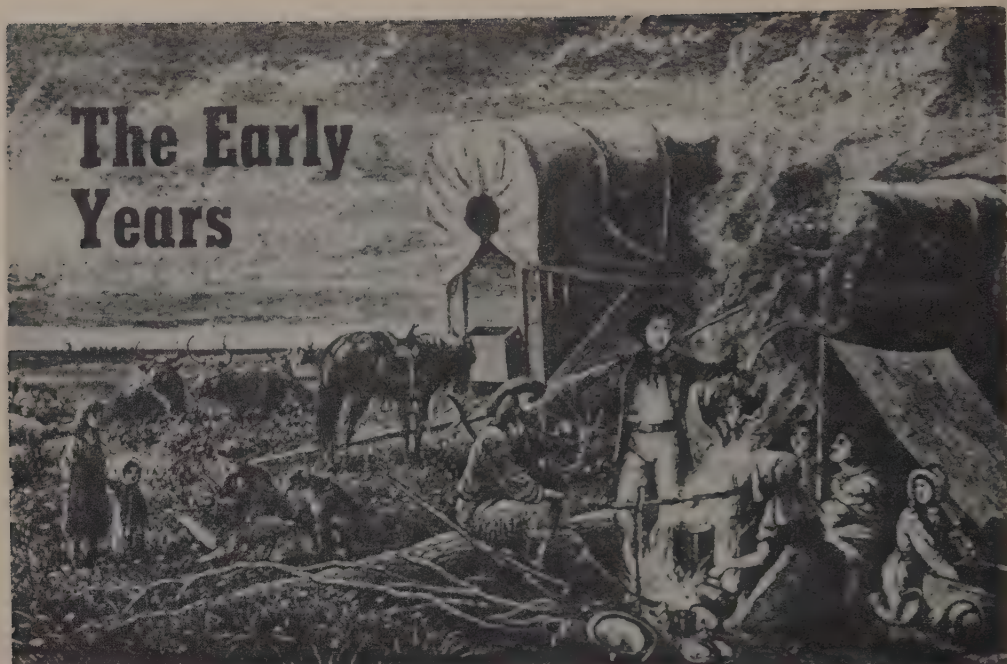
There has also been an increase in church-going and a growth in the number of community centers, sometimes religiously sponsored, more often non-denominational. For our growing suburban communities, these are restoring the

institution of the town hall where our forefathers met, exchanged ideas and grew.

The prophets of doom, then, have buried the American family too soon. Problems still exist; individual families still are failures. But, in a world of strife and torment, the American family shows a persistent determination to succeed. It has gained two great advantages: more education and more time to think. It seems safe to say that by common, spontaneous consent, it is seeking a more "normal," healthy way of life. Parents are seeking to expand their lives and to raise their children in smaller communities, which provide not only more physical but more mental and social room in which to grow.

It looks as if the family may be on the way to adjusting *socially* to the industrial upheaval which has already raised it so high *economically*. ■





—Bettmann Archive

## Breaking ground for generations to come was the great adventure of early American families

**Y**OUNG JOHN FREDERICKS steps up to the door of a family he has only heard about from friends, asks for the daughter of the house, presents some identification, states his requirements for a housekeeper, and proposes to the girl without fanfare; she smiles assent. They rush down to the town clerk and sign the necessary documents. They are now man and wife!

This happened during America's colonial and frontier days. Although this is a somewhat extreme example, it was not unusual in those days.

Once wed, the young, Seventeenth Century couple described above, had its choice of locating in any one of the slowly rising English settlements strung out from the Savannah River to the Penobscot along the Atlantic Coast. In most of the communities there were welcome signs out for families who could make themselves useful farmers, carpenters, masons, fishermen, tailors or weavers.

This was the American dream: to carve out one's own destiny and security wherever an opportunity existed. And there were innum-

able ways of moving up the economic ladder, as the sporadic waves of all religious denominations — Puritans, Quakers, Catholics and Jews — found out. Their struggle to maintain their economic well-being and to practice their faith was severe, but they survived and laid the foundation for a new nation.

The young couple we have mentioned illustrates the break with family traditions of the Old World, from which American settlers had removed themselves. Their grandparents would have been horrified by the independence their children exercised: breaking class barriers to marry and using individual rather than parental initiative in choosing a mate. Life for a single man was bound to be lonely in the colonies primarily because of the absence of social life which would afford satisfaction and distraction. Besides private loneliness, it was easier to endure sickness and hardship with a real helpmate at one's side and a large number of children to serve as field hands. Bachelors were regarded as undesirable by most of the communities.

Economic conditions made necessary an effective division of family labor in the kitchen and in the field. One of the early settlers, writing about his primitive struggle with the soil, tells us: "We set last spring some twenty acres of Indian corn and sowed some six

acres of barley and peas; and according to the manner of the Indians, we manured our grounds with herrings, or rather shads, which we have in abundance, and take with great ease at our doors." His wife, meanwhile, presided over the kitchen array of hand-blocked tin pans, the iron sausage cutter, the iron hearth griddle, an odd-looking coffee roaster, swizzle stick egg beaters, nutmeg graters and the eternal rolling pin.

Besides which she cared for the children and lent an occasional help in the field at plowing or harvesting time.

**T**HOSE FAMILIES which survived widespread disease bred by unsanitary conditions, Indian massacres and starvation because of crop failures, formed the backbone of communities, making things easier for the new arrivals. Most of the economic activity was agricultural, with Maryland and Virginia raising tobacco to be exported, Carolina rice and indigo, and New Englanders and New Yorkers exporting furs bought from the Indians. As the burdens of land management and crop production increased, the family had to look outside of its circle for additional help. Many of England's poor voluntarily sold their labor to the colonists for transportation and bread-and-board in the New

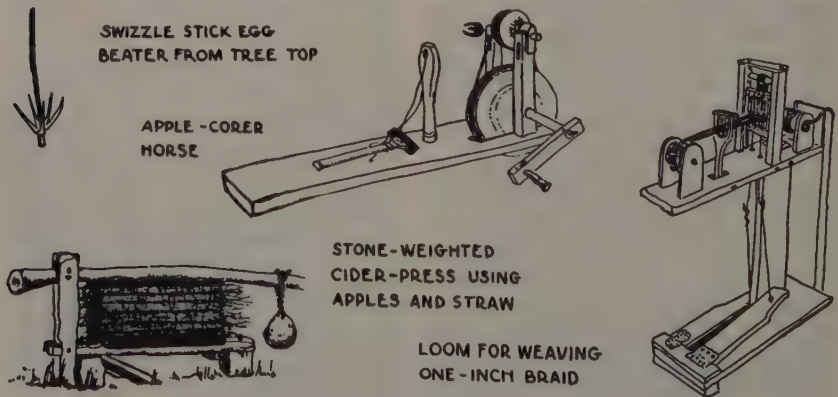
World. In addition to these indentured laborers, the West Indies provided Negro slaves for domestic and field work.

On the East Coast, settlements had grown into thriving towns, while the interior countryside was dotted with fields under cultivation. Washington Irving, a delightful writer, gives us a picture of the Connecticut Yankee farmer. Again there is emphasis on marriage and the family. In talking about the average young man from Connecticut, Irving notes: "His first thought, on coming to the years of manhood, is to *settle* himself in the world — which means nothing more nor less than to begin his rambles. To this end he takes unto himself for a wife some buxom country heiress, passing rich in red ribands, glass beads, and mock tortoise-shell combs, with a white gown and morocco shoes for Sunday, and

deeply skilled in the mystery of making apple sweetmeats, long sauce, and pumpkin pie."

Irving also pointed to the restless Yankee farmer as the "wandering Arab of America . . . He soon grows tired of a spot where there is no longer any room for improvement — sells his farm, air castle, petticoat windows and all, reloads his cart, shoulders his axe, puts himself at the head of his family, and wanders away in search of new lands — again to fell trees — again to clear corn-fields — again to build a shingle palace, and again to sell off and wander."

All along the Atlantic Coast during the Seventeenth and Eighteenth Centuries the settlements became glutted with newcomers attracted by the news of prosperity. American statesmen like Benjamin Franklin, who was the rage of Paris in the 1780s,



Specimens from "The Antiquer's Picture Book," by Marion Nicholl Rawson, E. P. Dutton & Co., 1940.

helped spread the word in Europe. Franklin pointed out pridefully that in America "people did not enquire concerning a stranger, 'What is he?' but 'What can he do?' If he has any useful art, he is welcome; and if he exercises it, and behaves well, he will be respected by all that know him; but a mere man of quality, who on that account wants to live upon the public, by some office or salary, will be despised or disregarded."

The crowded conditions of coastal settlements, the fact that the American family permitted its grown-up members to strike out for themselves, and news of superior farming country, lumber and fur prospects in the interior — all seemed alluring and set off a new era of family migration shortly before 1800. Venturesome families broke trails beyond the hundred-mile limit that had been set, and in the century to follow continually pushed back frontier after frontier from the Allegheny Mountains clear to the Pacific Coast. Wherever they went they established settlement. Families took root, reshaped the wilderness to their own ideas of living, and for the next hundred years provided the responsible element necessary for the stability of the entire community.

As soon as families established themselves, the young would marry and, like their parents before them,

move on, perhaps never to see the old folks again because of the distance that would separate them. Packing sparse belongings in covered wagons, taking oxen and axes, they set out on hazardous terrain. Many never found their destination as wagon teams plunged into precipices from narrow road-ridges, while survivors, after mending broken axles and wheels, hauling each other out of rivers and beating off Indian attacks, had to face the problem of where and how to locate most advantageously.

*B*ECAUSE of the rugged life and startlingly high death rate at childbirth, women became very scarce in frontier country. In territories like Nevada and Colorado, men outnumbered women four to one. Hence it was not uncommon to see groups of hundreds of women join expeditions, heading by wagon trains and steamers for distant territories.

They certainly were needed in frontier communities as teachers and housekeepers as well as wives. As wives they soon contributed their share in keeping a home. There were innumerable back-breaking chores. Among them cider-making consumed a considerable amount of time: apples had to be ground on hump-and-hollow wood rolls, turned by mule sweep,



—From "Harper's Weekly," courtesy Harper & Bros.

**WHY SEW AT HOME?** "A coat could be made in a half hour by the aid of a factory sewing machine."

while the apple-corer horse and the stone-weighted press had to be operated laboriously.

In numerous other homes, especially in Connecticut and Massachusetts, members of the family were busily engaged in home industry — washing fleece, combing and carding wool. The air would hum with wooden sounds of the banging flax-break device, the snips of broadcloth shears, the quick, noisy pedaling of the braidloom and the operation of all sorts of weaving shuttles. Weaving and spinning in the home formed a major part of family income and activity.

Fishing was a business shared by widely scattered communities along Maryland's Choptank River, Florida's Atlantic Beach, towns like Massachusetts' Gloucester and New Bedford and others in Maine and New Hampshire. All family hands were needed to make fresh-

water reed fish traps, lobster pots, pickerel jacks to carry fire for night fishing; to mend nets; and to knit woolen nippers for hauling in nets. Without family co-operation and division of labor all this activity would not have been possible. Further, all this activity knit the family into an intimate and thriving unit, benefiting itself and the community.

What was the distinguishing mark of the families on the coast and on the frontiers as they have been described here? Perhaps the best observation came from a visiting Frenchman, Alexis de Tocqueville, who was so enthusiastic about what he saw that in 1835 he wrote a memorable book titled *Democracy in America*. In it he gave full credit to the family as being basic to the country's democratic structure. Also, distinctive of the American family, he noted that when an American "retires from the turmoil of public life to the bosom of his family, he finds in it the image of order and peace. There his pleasures are simple and natural, his joys are innocent and calm; and as he finds that an orderly life is the surest path to happiness, he accustoms himself easily to moderate his opinions as well as his tastes. While the European endeavors to forget his domestic troubles by agitating society, the American derives from his own home that love of order

which he afterwards carries with him into public affairs."

It was almost as if Tocqueville was summing up an era of family relationship that seemed to be slowly passing away. As the Nineteenth Century advanced, economic activity in the home dwindled more and more (especially in the region from the Atlantic Coast to Ohio. Mines, mills and manufacturing establishments put agricultural and domestic occupations into the shade by plucking members of the family out of the home and putting them into factories. Technology had made the home obsolete for production purposes. If a coat could be made in a half hour by aid of a sewing machine in the factory, what need was there to pay for two days' home and hand labor for the same product? And so on down the line, as emphasis was laid on mass production for a public market in-

stead of having the family as a unit provide for its own needs.

With this transfer of economic activity from the home to the outside, family wants and outlooks changed drastically. The new age put within a man's reach objects that previously he would have toiled a lifetime to attain. Women demanded, and slowly received, educational and economic opportunities that were formerly restricted. The family still charted its own course; but in order to improve its lot it did not have to hack its destiny out of a wilderness. Its problem now was to adjust to a new tempo of life which laid a premium on education, and competency for professional, business, or factory work in the rapidly expanding cities.

On the threshold of the Twentieth Century, the family again drew strength from within to meet the tests ahead. ■



*How well off is your family financially? Average income of family spending units nudged \$73.50 a week at last report, and its rate of increase continues abreast of the rise in the cost of living. Middle income families are gaining proportionally more than others. In 1952, family opinion was divided, half-and-half, on the question of whether they were better off than in 1951.*

## HOW MUCH ARE YOU WORTH?

**Compare your income and assets  
with the figures for the nation as a whole**

**M**OST OF US draw income, buy and save primarily in family units. Because of this, our prime source of facts on consumer finances (the 1952 *Survey of Consumer Finances* made for the Federal Reserve System) reports in terms of what is earned and spent by families. The *Survey* divides us into little more than 53 million spending units, a unit including all persons who live in the same dwelling, belong to the same family and who pool their incomes for major expenses.

Drawing from this and other sources, the following is a report on how much American families have in money and goods. Incidentally, you can learn where your family stands in comparison with all the others.

*Income* — In money income, a persistent gain continues for the

population as a whole. Most significant, gravitation of money toward middle income families goes on. These families have realized the largest proportionate increases in income from World War II to date, thrusting ahead of the rises in prices and taxes in this period.

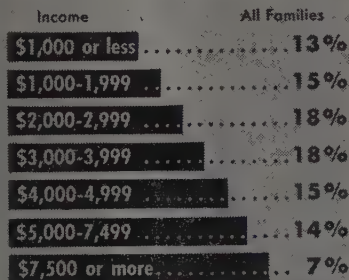
As for all income groups lumped together, there has been little change and certainly no average loss in *real* income (buying power) in recent years. A fresh spurt in the size and output of our economy has made this possible. Behind this spurt, in part, lies an increase of ownership of shares in corporations which will be referred to below.

With middle income families out front in proportion of increase, nearly half of our 53 million spending units were making more money at the end of 1951 than at the be-

ginning. Fewer than one-fifth were making less than a year earlier—as low a proportion as has been reported in any survey. The median (middlemost) family income edged upward from \$3,000 in 1950 to \$3,200 in 1951, but much of this increase has, of course, been drained off by rises in prices, income tax and interest payments on loans.

The trend toward a more even distribution of income, evident in former years, apparently halted in 1951. There was little change from 1950 to 1951 in the shares of income received by each income level of the population.

## HOW FAMILIES COMPARE IN INCOME



In breaking down distribution of 1951 family income further we may compare them by the occupation of the head of the family. Here we see that managerial incomes topped all the rest. Eight

kinds of occupations scale downward in this order:

## HOW OCCUPATION AFFECTS INCOME

|         |                                            |
|---------|--------------------------------------------|
| \$8,960 | MANAGERIAL                                 |
| \$6,020 | PROFESSIONAL AND SEMI-PROFESSIONAL         |
| \$5,820 | SELF-EMPLOYED                              |
| \$3,970 | SKILLED AND SEMI-SKILLED                   |
| \$3,920 | CLERICAL AND SALES                         |
| \$2,660 | FARM OPERATORS                             |
| \$2,330 | MISC. (INCL. HOUSEWIVES, UNEMPLOYED, ETC.) |
| \$2,320 | UNSKILLED AND SERVICE                      |

Grouped according to the race of the head of the family, the figures show a considerable gap between white and Negro rates of earnings. Eighty-seven percent of Negro spending units received less than \$3,000 per year as opposed to the 41 percent of whites in this category.

Dividing our spending units into areas of residence, we find they rank in this order as regards 1951 income of individual families: metropolitan areas, other urban areas, rural areas. Metropolitan areas show the lowest percentage (7 percent) receiving less than \$1,000, and the highest (10 percent) receiving \$7,500 or more. Other urban areas show 12 percent receiving less than \$1,000; 8 percent receiving more than \$7,500. Rural

areas, where of course not all income is in money, had 19 percent getting less than \$1,000 a year, and 4 percent getting more than \$7,500.

*Savings and Stocks* — Throughout the recent period of threatening inflation, most families have played safe with their excess cash. In 1952 they continued predominantly to choose savings accounts and savings bonds which involve practically no risk of fluctuating value and allow for quick cashing. Yet, at the same time, the proportion of families which prefer buying common stock or real estate increased, continuing a three-year trend. Most of them, already well-off comparatively, sought the higher return.

In early 1952 the number of spending units owning some liquid assets was about 37 million, leaving 16 million with none. This 37 million amounted to one million or so less than the postwar peak of early 1951 but exceeded the 1946 figure by about 3 million. Considering liquid assets to include all types of U. S. government bonds, checking accounts, savings accounts in banks, postal savings, and shares in savings-and-loan associations and credit unions, but excluding currency—spending units held liquid assets in these amounts according to income groups in early 1952:

| HOW FAMILIES<br>COMPARE IN<br>LIQUID ASSETS HELD |     |     |     |     |
|--------------------------------------------------|-----|-----|-----|-----|
| LIQUID ASSETS<br>\$500- \$1,000- \$5,000-        |     |     |     |     |
| \$1,000<br>or less                               | 17% | 11% | 6%  | 6%  |
| \$1,000-<br>1,999                                | 25% | 15% | 7%  | 5%  |
| \$2,000-<br>2,999                                | 31% | 16% | 9%  | 3%  |
| \$3,000-<br>3,999                                | 40% | 19% | 11% | 6%  |
| \$4,000-<br>4,999                                | 35% | 27% | 17% | 4%  |
| \$5,000-<br>7,499                                | 34% | 26% | 19% | 10% |
| \$7,500-<br>or more                              | 11% | 25% | 24% | 38% |

Early in 1949 a trend of investment preferences set in, which continue to be felt. Family spending units have been turning slowly away from assets of fixed value (or liquid assets) toward assets of fluctuating value. By early 1952, about one in every four with incomes of \$3,000 or better preferred to invest in real estate or common stocks. In 1949 the proportion was only one in nine. About 1.5 million people have become share owners in the last three years, helping our economy achieve its recent startling growth.

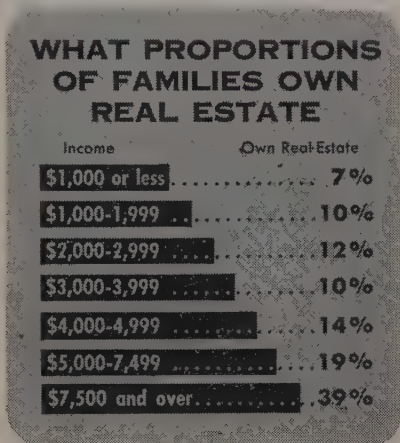
Today the number of families owning shares in publicly held corporations totals about 4,750,000. These families, as tallied by the Brookings Institution, embrace over 13 million individuals. This means that one out of every twelve of us shares as a family member

in ownership of stock. As in previous years, the majority of stockholders in 1952 owned relatively small amounts of corporate stock, although stockholdings of \$1,000 or more were reported by 56 percent of those owning stock in early 1952 compared with 44 percent in 1949. The majority of stocks, however, continued to be held by relatively few people. The 1952 *Survey of Consumer Finances* estimates that the one percent of all spending units that owned \$10,000 or more of stock accounted for at least two-thirds of the total value of stock reported by early 1952.

*Real Estate* — Despite the late rise in popularity of common stocks, real estate continues to hold first place among investments by family spending units. Not counting owner-occupied homes or farms, approximately one in every seven owned some real estate in early 1952. Most frequently they owned a one or two-family house, a farm or extra farmland, or a lot.

Real estate owners include a higher proportion of low-income earners than do stock owners. In early 1952 income groups below \$7,500 owned a little more than half the total reported value of real estate other than owner-occupied homes or farms. Surprisingly, family spending units with incomes of less than \$3,000 held about one-sixth of the total. Here's

how 1952 real estate owners line up according to income before taxes:



*Life Insurance* — Eighty-two percent of our families, the Brookings Institution tells us, have some insurance protection now. This takes in the total owned through legal reserve companies, fraternal societies, assessment companies, savings banks and the federal government, reaching about \$342 billion worth by the end of 1952.

The Institute of Life Insurance points out that while men own about four times as much life insurance as do women, most of their policies name women to receive benefits in case of death. This indicates the family-based ownership of most life insurance. Here is how families carrying \$5,000 or more in insurance rate on the income scale:

## HOW FAMILIES COMPARE IN LIFE INSURANCE OWNED

| Income                 | Own \$5,000 or more |
|------------------------|---------------------|
| Under \$1,000 .....    | 18%                 |
| \$1,000-1,999 .....    | 16%                 |
| \$2,000-2,999 .....    | 26%                 |
| \$3,000-3,999 .....    | 39%                 |
| \$4,000-4,999 .....    | 52%                 |
| \$5,000-7,499 .....    | 65%                 |
| \$7,500 and over ..... | 84%                 |

*Consumer Debt* — Short term debts have risen steadily, according to the 1952 *Survey of Consumer Finances*, since the low level at the end of World War II. At the outset of 1952, more than half of all spending units not owning businesses or classified as farm operators owed non-mortgage debts. These debts, most of them under \$500, were incurred chiefly by time-purchases of durable goods — automobiles, household appliances and furniture — as these goods became more and more available after World War II. These debts exceeded liquid asset holdings for about 70 percent of all debtors.

About three-fourths of the spending units reporting consumer debt were young couples with children, reflecting the relatively

heavy purchasing of durable goods by such families.

Grouped by money income, families had incurred consumer debt in early 1952 according to the following percentages:

## WHAT PROPORTIONS OF FAMILIES ARE IN DEBT

| Income                 | In Debt |
|------------------------|---------|
| Under \$1,000 .....    | 32%     |
| \$1,000-1,999 .....    | 40%     |
| \$2,000-2,999 .....    | 53%     |
| \$3,000-3,999 .....    | 62%     |
| \$4,000-4,999 .....    | 60%     |
| \$5,000-7,499 .....    | 61%     |
| \$7,500 and over ..... | 46%     |

*Family Spending* — How about our families' spending habits? It was established last summer that because of increased buying power we are able to spend, and are spending, far more for the "non-essentials" of life than ever before. This came to light when the Department of Labor published the results of a study of three key periods in our recent history.

Comparing family budgets of 1950, 1935 and 1920, the Department of Labor found that an "average" city worker's family in 1950 spent its money as follows:

|                                                                                                   | 1950       | 1935                     | 1920       |
|---------------------------------------------------------------------------------------------------|------------|--------------------------|------------|
|  <b>FOOD</b>      | <b>30%</b> | <b>33%</b>               | <b>36%</b> |
|  <b>HOUSING</b>   | <b>14%</b> | <b>25%</b>               | <b>20%</b> |
|  <b>TRANS.</b>    | <b>11%</b> | <b>—</b>                 | <b>3%</b>  |
|  <b>CLOTHING</b> | <b>12%</b> | <b>FAMILY<br/>BUDGET</b> |            |
| <b>PERS. INSURANCE</b>                                                                            | <b>4%</b>  |                          |            |
| <b>MISCELLANEOUS</b>                                                                              | <b>29%</b> |                          |            |

Against these changes we may take note of the most recently disclosed findings on family purchasing with an eye to their direction.

Family spending units continued to buy homes, automobiles and other durable goods heavily in 1951. By early 1952 about 54 percent of all non-farm families owned their own homes. About 60 percent of all spending units owned cars at this time and one-third had installed television sets; 70 percent owned refrigerators with more than this proportion actually using them because of their frequent inclusion as part of rented property. Today, besides buying new models of familiar appliances, radios and television sets at a gradually increasing rate, families are taking into their homes such newer type devices as home freezers, dishwashers, dryers, air conditioners and de-humidifiers. These will not be long in becoming standard equipment.

In the next two decades or so, long enough ahead for many of our children to be raising jam-smudged tots of their own, we're bound to undergo changes of further tremendous impact upon our families. The report by the President's Materials Policy Commission this year predicted that, barring a full-scale war in the meantime, by 1975 industry will be turning out 40 to 50 percent more than it does now. Our population will rise by about 27 percent.

For families some of the closest-to-home changes will be in money in circulation, homes and equipment, automobiles and jobs. Spending will be double the present rate at today's prices. Dwelling units will multiply by about 50 percent. At least 40 percent more appliances and other durables will be on tap. Autos will likely increase to 65 million, putting one car on the road for every two persons over thirteen years old, where now there is one for every three persons over fourteen. Jobs will bring in more pay for less time, with five to fifteen more leisure hours a week.

If our nation simply maintains the same annual 3 percent rate of growth it has kept for more than a century, the report seems to indicate, 1975 will find the average family blithely consuming and spending at a rate that would bankrupt most of us in a week were we to attempt it now. ■

# What Price Living?

by Crispin Glenn



I SEE the cost of living is still pretty high," you say to your wife as you read the headlines.

"Do you mean they're still printing that as news?" she asks.

"Well, it's good to get official confirmation — like having the weatherman admit that yesterday's weather really did break all records. I see that almost three million labor union members get their wages hiked again on the basis of the cost-of-living index."

"If only my husband hadn't been born with a white collar around his neck!" your wife laments. Then, picking up her knitting, she continues: "Do you know, the Government's been doing something about that index? Sally Martin told me that some investigator called on her last spring and used all the question marks in the world, ask-

ing her about what she bought for the family, how much of it she bought and what quality she bought. He told her beforehand that he was coming, and she spent two days and one evening with George getting the dope together that the man wanted to know."

"Well," you say, throwing down the paper, "I bet that when those investigators snowball their data and roll 'em down to Washington, there won't be any quiet along the Potomac for a long, long time. Those fellows in the Bureau of Labor Statistics are the showmen of their craft. Every month they sally forth with a blare of trumpets and raise the pole-vault bar another inch on the cost-of-living standards."

"Yes," your wife agrees, "and then they stand back and watch us try to make the jump."

Just what is this cost-of-living index—now called the consumers' price index — that causes so much conversation and is often used as a bargaining base for unions? Why make changes in it? And what changes are they figuring on as the result of calling on 17,000 representative families in ninety-one cities?

Perhaps we can get these answers if we take a look at how the present index was built up. Last year a Congressional subcommittee called the index "the most important single statistic issued by the Government." On that basis, it's certainly worth a look.

The consumers' index is merely a device to tell us what it costs, month by month, to buy the same goods and services that a certain group of people bought during that steady old period of 1935-39.

Let's look at a couple of things in that definition. First, "a certain group." Obviously, living costs of the very poor or the rich are no criterion for the rest of us. The most representative group, in Uncle Sam's opinion, in that pre-war period comprised the wage earners and low-priced clerical workers in big cities.

Secondly, the index is based on buying the same things in the same quantities and qualities.

It's perfectly possible that the Government's idea of the most representative group might change.

Besides, people don't continue to buy the same things in the same quantities and qualities. So eventually the index may look like a television picture refusing to settle down. How can you compare the living costs of a family buying a car, a radio-phonograph, a television set, an electric washer, a vacuum cleaner, etc., with that of the same family before those became common?

The Government doesn't think that we're so far from our 1935-39 buying habits as all that. But it does know that our buying habits have changed enough since those prewar days to require some major overhauling of the index. Hence the efforts to find out what representative families are buying today — what items, how much, what qualities. When it finds that out, it will start all over again; pick a new base period for future comparison; try to tell us that the index now stands at 100, instead of the upper 180s. That would make us feel better, anyway.

Let's take a look at how they compiled the index we've been stuck with, since anything new will be built in the same basic way.\*

It's a wintry day in Boston, early in 1936. Mrs. Sam Beard, wife of an automobile mechanic,

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\* Beginning with January 1953, the Bureau of Labor Statistics will use the base period of 1947-49 to compile its monthly cost-of-living indices. The first figures derived from the new base will be available in February.  
— ED.

is looking out the window, wondering whether the rapidly falling snow will make it hard for Mary to get home from school. The jangling of the door bell interrupts her thoughts. A Government man is at the door — the one who said he was coming to ask about her buying habits. After a few minutes' chat about the weather he gets down to business — and Mrs Beard is in for an afternoon.

**T**HE INVESTIGATOR — let's call him U. S. Atkins — doesn't start with finding out what the Beards spend for food. Nor how much meat they buy. Nor even how much beef they buy. No, indeed. He wants to know what cuts of beef she buys and in what proportion to each other! The same thing for pork. Ditto for lamb, etc.

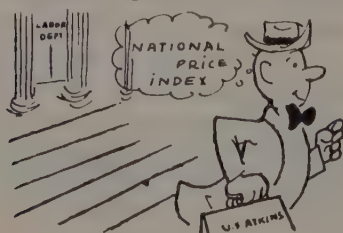
After a while U. S. Atkins gets the meat situation in hand. But meat is only one class of food. There are cereals, fruits, vegetables, dairy products and all the rest. He keeps asking about quantities and qualities. He finally figures out that the Beards spend, let's say, 5.2 percent of their food

expenditures for rib roast of beef and 1.5 percent for butter.

Once he gets food all tidied up at 100 percent he tackles clothing. Mrs. Beard is beginning to recall the phrase, "guinea pig." She excuses herself to look at some rice pudding she has in the oven, comes back, sinks into her rocker with a sigh and struggles with this Atkins fellow about the family's clothing. U. S. Atkins gets down to the minutest details on this, too. Finally he gets the clothing data all neatly arranged. He discovers, for instance, that Mr. Beard's wool suits take 10.6 percent of their clothing expenditures.

Once he gets the apparel items all tidied up at 100 percent he turns over the page and gets set for something new. Mrs. Beard looks out with some concern at the falling snow. It couldn't happen, could it, that this man Atkins would get snowed in for three days and just spend his time asking question after question!

Well, it might happen, for Atkins is out for facts. He goes on to rent; to fuel, electricity and ice; to house furnishings; and to that



exasperatingly complex item of "miscellaneous." He burrows into transportation, recreation, personal care, medical care, contributions, etc.

Eventually — much to Mrs. Beard's amazement — U. S. Atkins puts his book away, thanks Mrs. Beard and starts out for another family in the same general economic circumstances.

When the Atkinses got all their figures for a lot of Bostonians, the statisticians pounced on them and made some generalizations. They determined the relative importance of about 200 items in the buying of a Boston wage-earner's family. And they got pretty specific about what they meant by a woman's heavy coat, or the thread count of a man's business shirt, or what grade they were talking about when they spoke of a rib roast. For what they were building was something they could price again and again over the years, and they had to be very specific.

Before we leave Boston let's take care of that heckler in the back row who is asking how come 200 items tell the story — those

Bostonians must have bought six or seven times that number. Well, the heckler's right. But there's a limit to what you can include and price repeatedly. The trick is to select typical items that tell the price story of a group. For instance, all-inclusive furniture prices follow the ups and downs of certain typical articles.

Well, we have taken care of only one city so far, and Bostonians will forgive us if we aren't satisfied. Let's consider another city, one quite different from Boston.

In the summer following, U. S. Atkins got down to New Orleans. He was interviewing Mrs. Bill Beard on a day that was so hot that mopping his forehead was an integral part of the undertaking. And every time he tried to lift his arm to mop his brow, the paper on which he was writing stuck to his hand.

Did Mrs. Bill Beard talk about the woolen clothes they bought, about the great expense of heating their house? No, indeed. The Bill Beards, like other wage earners in New Orleans, spent their money differently from the Boston



Beards. So the New Orleans story was different from Boston's.

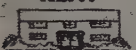
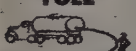
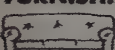
After the Atkinses had amassed the data from thirty-four cities, the statisticians devised an index for six expenditure groups in each city: food; clothing; rent; fuel, electricity and ice; housefurnishings; and miscellaneous. An over-all index for each city was also set up. The problem of getting a national index for each of the six big groups, and an over-all national index was simple. They merely weighted the indexes according to population. Obviously, the living cost of families in a city of two million couldn't be simply averaged with that of families in a city of 200,000.

As years have passed, pricing procedures have been defined and to some degree extended. For example, food has recently been priced monthly in fifty-six cities in independent grocery stores, grocery chains, dairies and bakeries—in accordance with their sales volume. Over 10,000 stores have been represented by this monthly pricing. Fuel has been priced in thirty-four cities monthly. For

obvious reasons the other four groups have been priced less frequently.

Where has this comparative pricing brought us? Let's take, for example, the figures for October 15, 1952. The Government's pricing showed that the same quantities and qualities of food that were brought for \$33.90 in the base period of 1935-39 cost \$78.78 in October; the food index was 232.4. The clothing cost rose from \$10.50 to \$21.22; the apparel index was 202.1. The \$18.10 rent had become \$25.88; the rent index was 143.0. The \$6.40 fuel figure had grown to \$9.50; the fuel index was 148.4. The \$4.20 furnishings then cost \$8.59; the index stood at 204.6. And the miscellaneous item of \$26.90 had grown to \$46.91; that index was 174.4. When you add up the above figures for all six groups you have \$190.88 as the cost of goods and services that in 1935-39 cost \$100. However, due to the fact that the statisticians make some slight technical adjustments to the above figures, the October amount was actually \$190.90. The over-all national index therefore stood at 190.9.

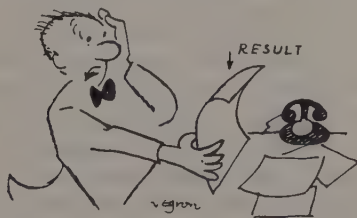
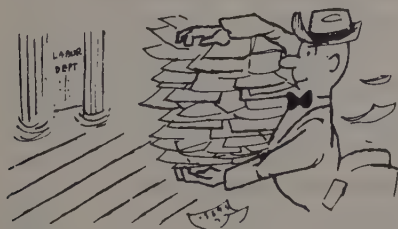


| ITEM                                                                                         | MONTHLY COST<br>1935-39 | MONTHLY COST<br>OCT. 1952       | INDEX                       |
|----------------------------------------------------------------------------------------------|-------------------------|---------------------------------|-----------------------------|
| FOOD<br>     | \$33.90                 | \$78.78                         | 232.4                       |
| CLOTHING<br> | \$10.50                 | \$21.22                         | 202.1                       |
| RENT<br>     | \$18.10                 | \$25.88                         | 143.0                       |
| FUEL<br>     | \$ 6.40                 | \$ 9.50                         | 148.4                       |
| FURNISH.<br> | \$ 4.20                 | \$ 8.59                         | 204.6                       |
| MISC.<br>    | \$26.90                 | \$46.91                         | 174.4                       |
| TOTALS                                                                                       | \$100.00                | \$190.88<br>\$190.90 (adjusted) | 190.88<br>190.90 (adjusted) |

**HOW TO COMPUTE A PRICE INDEX:** In the table above it is shown that food, which in 1935-39 cost \$33.90, cost \$78.78 in October 1952. This means that food costs had gone up 2.324 times. Since the base period index is arbitrarily set at 100, this would make the October 1952 index for food 232.4.

Individual city indexes do not vary too much from the national figures, as you will notice from your local papers if you live in a city included in the index. If the index doesn't seem to agree with your experience, then one of two things are true: either you were not buying fifteen years ago as were the households that furnished Uncle Sam his data; or else you have lowered your standard of living. Perhaps you don't buy as much roast beef as you did; you're eating franks more often. Maybe you've cut down drastically on entertainment. The more you've adopted a lower standard of living, the further wrong will the index be for you.

You can easily see why labor unions like to have their wages upped on the basis of a rise in the index. You can also see why in these days of record-breaking income Uncle Sam has to take a good look at today's buying habits. Are the types of families chosen fifteen years ago the same he would choose today? Are the items he priced fifteen years ago the same he should concern himself with



now? Are people spending at present the same relative proportion of money on the six big groups?

As a result of such questions a major overhauling of the index is under way. But preparatory to this, the Government has made four changes in the present index. Population figures for 1950 have been substituted to change the city weightings. Changes have been made in rent calculations to reflect the cost of post-war housing. New items have been added to those formerly priced — things that once were unimportant or nonexistent but now are important expenditures, such as television sets, frozen foods, gas for home heating, etc. Labor has been urging the inclusion of income taxes because they form a vital item in the cost of living, but management opposes this on the ground that

such a change would throw some of a worker's tax burden on to management. The fourth transitional change has been a revision in the relative importance of the six groups of goods and services. People are not spending their money in the same proportions as they did fifteen years ago.

In January 1951 Uncle Sam started to use a revised index to care for these four points, but continues to give the figures on the old basis. There is little difference in the two. A considerable change in one group of items is balanced by a great change in another. The 190.9 figure quoted above is for the revised index.

How would you like to mastermind the big job they're doing now of rebuilding the index? No, nothing will be quiet along the Potomac—but then, it seldom is. ■

## OF WOOD'N'SHIPS

WHEN THE MAMMOTH new superliner *SS United States* broke the *Queen Mary's* Atlantic crossing records, many newspapers commented on her uniqueness as an all-metal ship. Built with an eye to possible wartime use as a troop transport, all precautions were taken against fire hazards, and every item, from the ship's orchestra leader's baton on up, was constructed of metal.

But even in this age of iron and steel, more lumber was used during the construction of the *United States* — as braces, ladders and scaffolding — than for any of our earlier wooden ships. The nearly three million board feet of lumber needed by the builders of this modern ship would construct at least twelve ships the size of the old *USS Constitution*, or three ocean-going ships 300 feet in length.

In a world of electronics, plastics and synthetic fabrics, it is surprising to see that good, old-fashioned wood can still hold its own.

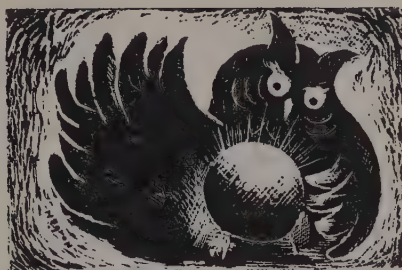
*From where we sit  
it looks like a buyers' market  
for most things you need or want*

# The Bills We'll Pay In '53

by Hedy D. Jellinek

**I**F YOUR FAMILY is like most, you've exchanged hopes for the new year by now with friends and neighbors. But have you gone a step further than accepting good wishes? Have you started to make budgeting plans for the months to come? Here's information that will help.

Before turning to the outlook for 1953, let us "play back" the year behind us. On the whole, it was a very prosperous year — we'll do well to match it. Never before did the American people have such a high income. Never before did they have so many jobs, and at such high wages and salaries. And never before was there such a volume of dollar sales, such an output of steel, so much money in circulation! In terms of your family's private financial affairs, all these records meant simply this: you were able to maintain



a high standard of living despite high prices.

The question we're now trying to answer — and it's a tough one — is this: how will 1953 shape up in comparison? Here our best bet is first to examine the factors underlying last year's prosperity.

These were, very briefly: our rearmament program, the continuing expansion of our industrial facilities, and a brisk demand for civilian goods. There was still a backlog of orders for more houses, cars and washing machines, as well as for new factories, machinery and industrial products. How will these factors, responsible for 1952's high economic activity, operate in 1953? At this writing —and it is exceedingly early for any precise forecasts—they do not promise to work in exactly the same way.

The defense program as a whole soon will reach its peak and will

decline after the end of the year (always barring unforeseen political developments). Some of its components, however, such as the atomic energy and guided missiles programs, will continue at full blast for some time, possibly for the next two years.

Industrial expansion will likewise start to level off. As for the backlog of demand for civilian goods, that is being wiped out rapidly. What's left is mainly a replacement demand—for a larger TV screen, a better refrigerator, a new model car.

All this indicates that the present boom will lose some momentum. It will not likely be felt much before fall. Nevertheless, 1953 will still be a prosperous year. So much for the general economic outlook for the new year.

Turning now to the specific, this is what to expect:

*Housing* — Dominating the housing picture is the drop in the number of marriages and in the rate of household formation. The low birth rate for the depression years is now beginning to show up in the declining number of young people of marriageable age. Also, more than half the young families which had doubled up with the older folks some years back have already moved out and formed separate households. Hence, new household formation is expected to

drop noticeably during the coming year.

This means a decline in the demand for homes and apartments and the things that go with them. It's the key to the change in the housing picture. For in spite of metals shortages and government controls, supply is catching up with demand in housing. The new year will see a buyer's market for homes, and in certain price ranges, even for apartments. And you are the buyer!



If you're interested in buying a new home, it will pay to shop around. Remember that builders are competing for your business. They must offer you a lot more for your money than before — sounder construction, more attractive design and such added attractions as laundry equipment, TV and even air-conditioning. Should you want an older house, you can be pretty sure of getting a good buy. These homes, particularly in the medium- and higher-priced brackets, now cost 5 percent to 10 percent less than a year ago.

Down payments, too, are kinder to your pocketbook, now that federal down payment requirements

are off the books. The only difficulty is an increasing reluctance by banks to approve FHA and VA mortgages because of their relatively low interest rates. Some builders are already paying premiums to banks in order to get a 4 percent GI loan, and 4 percent loans are becoming less desirable to lenders as conventional interest rates are moving up.

*Rents* — What about the apartment dweller? Will apartments



still be scarce this year? What's the outlook on rents?

The answer to the first question is that a serious shortage still exists for low- and medium-priced apartments, while high-priced rooms go begging. More and more landlords in the higher-priced line are complaining of empty apartments and of the special attractions they are forced to offer tenants. These may include several months' concessions in rent.

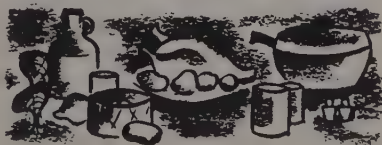
As for the rent outlook, the picture will vary from locality to locality. For the nation as a whole, rents have been rising during the past year. Whether this trend will continue in your area depends pri-

marily on the status of rent control there. Experience has shown that lifting of rent controls is generally followed by rent hikes of considerable proportions.

If rent controls are slated to go off in your area on April 30, watch out for higher rents for some time to come. If, on the other hand, your local controls are retained, or if they were already lifted last year, you may expect your rent to remain stable or even to decline. In the case of apartments over the \$100-a-month level, drops in the monthly rent bill will be rare. However, you will get more for your money — rent concessions when moving in, more regular paint jobs, better service.

*Food* — 1953 will see the end of the prolonged upward trend in food prices. Forecasts agree that our farm production will hit a record peacetime level. With domestic demand probably continuing at a stable rate, and exports expected to fall below last year's volume, food prices are in for a moderate reduction.

Meat production in particular will be at a peak due to expansion in cattle herds. Cattle slaughter will be stepped up, and you can



look forward to somewhat lower prices for beef and veal. This in turn will bring about mild cuts in lamb prices. Pork will remain the same or rise very slightly, depending on how much the competition of reduced beef prices offsets the low rate of hog slaughter.

*Fuel* — There's good news for home owners who use oil-heat. Capacity of the oil industry has been expanded vastly since World War II. With crude and refinery runs at peak levels and demand increasing sluggishly, oil supplies are rising. Consequently, prices can be expected to fall.



Natural gas users, on the other hand, should get set for continued rate increases. The lively demand for this fuel outruns present capacity to produce it. But increases are subject to government supervision and will stay within bounds. Moreover, even at a higher price, natural gas will still be cheaper than oil or coal.

Coal, faced with increasing competition from gas and oil, will probably remain near its present depressed level or drop even below it, despite wage increases for mine

workers. Long work stoppages which cut into coal inventories would, of course, change the picture somewhat in the direction of higher prices. Such stoppages are not likely, however.

*Automobiles* — If you're in the market for a new car this year, you'll have no trouble getting your favorite make. Waiting lists are a thing of the past. Here, too,

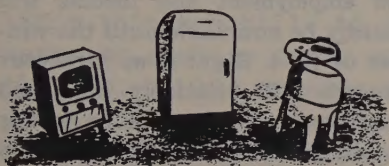


it's pretty much of a buyer's market. In spite of temporary steel shortages following last summer's steel strike, the automobile industry will be more than able to satisfy consumer demand. Prices of new cars will generally remain stable, with only occasional minor variations — probably downward.

Should you want a used car, you'll do considerably better than last year; the price trend for them is definitely down. This, of course, will also mean lower trade-in allowances on your old car. This is a point to remember when deciding on turning in your present car for a new or used model.

*Household Appliances* — Generally speaking, the same factors which tend to keep demand for

housing in check will also affect appliances. There are relatively fewer new customers for household goods, and the demand for the old ones is well-saturated. This should work to the consumer's advantage in the form of improved quality, larger trade-in allowances and lower prices for such standard equipment as refrigerators, washing machines, kitchen ranges and smaller electric appliances.



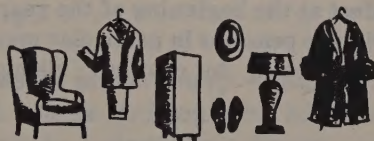
However, appliances cover a wide field, and there are many exceptions to this general rule. Two notable examples are clothes dryers and home freezers, both of which will still be very much in demand this year. Dryers, in particular, will not be on the bargain list for this reason. While freezers are still expensive, you might find it worthwhile to investigate the advantages of the special food plans which are often part and parcel of a freezer sale nowadays. Under these plans the customer gets deliveries of food at below-retail prices.

*Other Budgetary Items* — At this early date, less can be said about furnishings, clothing, medical and hospital expenses and tax-

tion than about the items already discussed.

In furnishings, demand is on the decline because of the lower rate of family formation already mentioned. This makes it certain that prices won't rise, and makes possible some lowering of prices for furniture. Increased competition among materials will also bring about attractive buys. In carpets, for example, new fibers including rayon, acetate, nylon, cotton and various mixtures are going into production. Most of these undercut pure wool in price.

As for clothing, it's still a buyer's market. Except for seasonal



sports, demand remains mild. Here again there will be differences in price between products. The sale of men's suits will continue to slacken; there will be bargains for the head of the family. The increasing preference among men for informal wear will account for this in part.

Although many of us have been informed recently of hikes in our hospital and medical insurance rates, we may look for a tapering-off here. With a slight drop in the over-all cost of living ahead, these increases will halt. This will come about largely because hospital

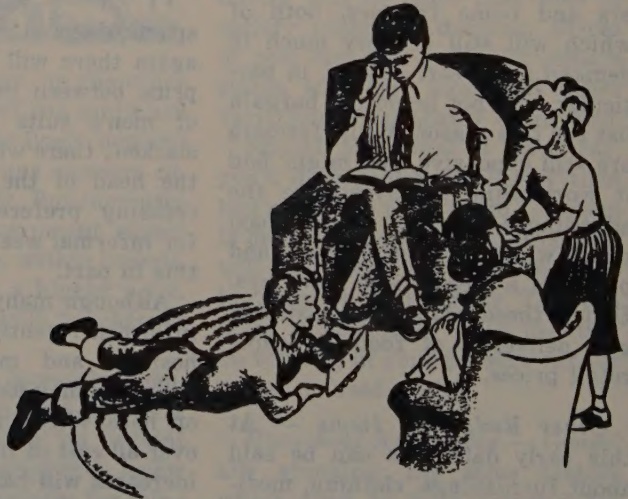
costs in particular are tied to some of the factors which make up the cost of living. But there's bound to be a time lag, so expect your 1953 health bill to run still somewhat higher than last year's.

Federal income tax rates will probably remain unchanged in 1953. Except for the excess profits tax on corporations, which will probably lapse June 30, few revisions can be expected in our tax structure until the end of the year.

This year will see an increase in Social Security payments to the aged, the blind, the disabled and dependent children. These will result from legislation already in effect at the beginning of the year. Old-age pensions in particular may be expected to continue rising,

since taxes won't have to be raised to cover higher payments. This is so because at present the income of the pension system is running ahead of out-go.

**T**O GENERALIZE AGAIN, this brief preview suggests that, in terms of your own private economic system, the picture for the next few months looks promising. The effect of the coming economic slowdown on employment and income will hardly be noticeable until the winter of 1954. Right now, with your income still relatively high and your cost of living due to decline a bit, you stand on the threshold of a buyer's market for many items that figure importantly in the family budget. ■



## **ECONOMICS IN ACTION** (continued)

increase in wages to the United Mine Workers. . . .  
America's wage earners now total nearly 64 million.  
Engineers, chemists, machinists, draftsmen and  
stenographers are in greatest demand. . . .

The deaths of William Green and Philip Murray  
within a few weeks of each other marked the end of an  
era for American labor. Both men were symbols of the  
gains that labor has made since the beginning of the  
New Deal. Now, with an Administration in power which  
labor thinks hostile to itself, the CIO and AFL may  
merge to combine their strengths . . . Reuther of  
the CIO, in his acceptance speech, called for a  
guaranteed annual wage and a world in which no one was  
so hungry that communism could win converts "through  
the wrinkles of an empty belly. . . ."

The Stock Exchange has seen some heavy trading  
ever since Election Day, and stock prices are high on  
the so-called Eisenhower Market. However, these  
rises have been spotty -- a sign that prosperity may  
not be permanent, according to some experts. Mean-  
while, The New York Stock Exchange, deciding that it  
has too many brokers and not enough business, voted  
to buy out fifty memberships in the next ten years --  
at a cost of \$45,000 apiece. . . .

A young widow with two children was the five  
millionth person aided by Social Security since the  
program went into effect in January, 1937. Receiv-  
ing a total of \$168.20 a month for herself and her  
children, she may get benefits amounting to \$40,000  
during her lifetime . . . More social legislation may  
come into being if Congress decides to pass the  
health plan suggested by President Truman's medical

## **ECONOMICS IN ACTION** (continued)

commission. With 48 percent of the American people earning less than \$3000 a year, there has been a growing bipartisan movement to extend health insurance -- not socialized medicine -- to people in lower income groups . . . A housing development for elderly people has been financed by New York State. Special features include: electric instead of gas stoves for safety, non-slip bathroom floors and low-hung kitchen shelves to avoid stepladder falls. . . .

A treat for the Dutch is the lesson in installment plan buying that the American State Department is giving them. Already Dutch retailers are catching on to this typically American plan, which may help solve Europe's distribution problems . . . West Germany has begun a plan to equalize the war burden. Its aim is to force those who didn't suffer too much during the war to share their wealth with those who were devastated. Over the next thirty years, the "haves" will contribute about \$15 billion to the "have nots" . . . The stately homes of England no longer bustle with butlers. In the past twenty years the number of domestics working in British homes has shrunk from 700,000 to 175,000. . . .

Department of Better Mousetraps: beer for babies (.0072 percent alcohol), claimed by its German manufacturer to be tastier and healthier than candy . . . a rainbow of popcorn flavors ranging from cherry, orange, lemon and lime to curry and garlic (with chlorophyll) . . . a photoflash battery, the size of a man's thumb, that provides energy for more than 25,000 pictures . . . a magic carpet of flexible steel mesh to help motorists struggle out of the snow . . . and for the proverbial one-armed paper hanger, an adhesive that works on any surface, even fresh plaster. . . .